



**STATE OF WASHINGTON**  
**DEPARTMENT OF ECOLOGY**

PO Box 47600, Olympia, WA 98504-7600 • 360-407-6000

July 21, 2025

Richard Bassett  
Cosmo Specialty Fibers, Inc.  
PO Box 539  
Cosmopolis, WA 98537

Re: Notice of Penalty

<b>Notice of Penalty Docket #</b>	23244
<b>Site Location</b>	Cosmo Specialty Fibers Located in Grays Harbor
<b>Penalty Amount</b>	\$677,325
<b>Due Date</b>	Within thirty (30) days after receiving this Notice of Penalty.

Dear Richard Bassett:

The Department of Ecology (Ecology) is issuing the enclosed Notice of Penalty to Cosmo Specialty Fibers, Inc. for violating provisions of:

- Chapter 90.48 Revised Code of Washington (RCW) – Water Pollution Control
- NPDES Permit No. WA0000809
- Chapter 173-224 Washington Administrative Code – Water Permit Fees

Please read the enclosed Notice of Penalty describing the violation(s) and options for responding to the Penalty.

Ecology issues news releases for all major penalties and enforcement actions, including this one. A courtesy copy of the draft news release is included. If you have a comment or question, contact Brittny Goodsell at 360-280-3704 or [Brittny.Goodsell@ecy.wa.gov](mailto:Brittny.Goodsell@ecy.wa.gov) within one business day of when you first receive the draft news release.

Richard Bassett

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If you have questions, please contact Ha Tran at [ha.tran@ecy.wa.gov](mailto:ha.tran@ecy.wa.gov) or (360) 790-6276.

Sincerely,



Peter Lyon

Program Manager

Solid Waste Management Program

Enclosures: Notice of Penalty Docket #23244

Draft News Release

By Certified Mail 9489 0090 0027 6381 5350 45

cc: Fiscal-Penalty Desk, Ecology  
Mark Storrie, Cosmo Specialty Fibers

State of Washington  
Department of Ecology

In the Matter of Penalty Assessment Against  
COSMO SPECIALTY FIBERS, INC.  
Notice of Penalty Incurred and Due Docket #23244

To: Richard Bassett  
Cosmo Specialty Fibers, Inc.  
PO Box 539  
Cosmopolis, WA 98537

<b>Notice of Penalty Docket #:</b>	23244
<b>Site Location:</b>	Cosmo Specialty Fibers Located in Grays Harbor County
<b>Penalty Amount:</b>	\$677,325
<b>Due Date:</b>	Within thirty (30) days after receiving this Notice of Penalty

The Department of Ecology (Ecology) has assessed a penalty against Cosmo Specialty Fibers, Inc. in the amount of \$677,325 for violating provisions of:

- Chapter 90.48 Revised Code of Washington (RCW) - Water Pollution Control
- NPDES Permit No. WA0000809
- Chapter 173-224 Washington Administrative Code, Water Permit Fees

Ecology has authority to issue this penalty under RCW 90.48.144 and is basing the penalties on the violations listed in this notice.

## 1. Determination of Violation(s)

**Ecology's determination that violations have occurred is based on the violations listed below.**

### Summary of Violations

Cosmo Specialty Fibers, Inc has violated NPDES permit no. WA0000809 as detailed in the table below. Ecology observed the violations below during water quality inspections or other site visits on July 8, 2022 (inspection), September 15, 2023 (inspection), February 29, 2024 (inspection), April 10, 2025 (site visit), and May 20, 2025 (site visit). Ecology mailed associated inspection reports to Cosmo on February 8, 2023, February 29, 2024, and on March 19, 2024.

Ecology was notified that most of the power was shut off to the site on September 9, 2024.

Ecology has provided more details on each of the violations after the table.

	<b>Permit Condition</b>	<b>Description</b>	<b>Date*</b>
<b>Violation #1</b>	S2.C	Failure to calibrate/maintain flow measurement device at outfall 002. Flow measurement weir observed to be noticeably out of alignment on multiple inspections.	7/8/22 (ongoing)
<b>Violation #2</b>	S8.A.2-3	Failure to update the Spill Control Plan to reflect current site conditions. Site conditions changed after operations were curtailed and after power was shut off.	2/29/24 (update submitted on 3/20/24) 9/10/24 (ongoing)
<b>Violation #3</b>	S1.A. and S8.A.4	Unauthorized release of untreated red liquor to outfall 001/ongoing spill of red liquor to the sewer system. Special Condition S1.A. only allows the discharge of process wastewater that has been treated.	9/15/23 (to outfall 001 through 9/9/24) 9/10/24 (ongoing spill to sewer system)
<b>Violation #4</b>	S4	Failure to maintain aeration capacity at the Westport ponds through removal and failure of some aerators and lack of power for the remaining aerators after 9/9/24.	9/15/23 (ongoing)
<b>Violation #5</b>	S9.A.4	Failure to update the site's Stormwater Pollution Prevention Plan (SWPPP) to reflect current site conditions. Site conditions changed after operations were curtailed and after power was shut off.	7/8/22 (ongoing)
<b>Violation #6</b>	S9.A.2	Failure to implement the site's SWPPP. Observed examples include removal of the aerator at Outfall 002, lack of adequate maintenance of catch basins, and flooding resulting from improper management of stormwater.	7/8/22 (ongoing)
<b>Violation #7</b>	S2.A	Failure to adequately monitor pH at outfall 002 due to the loss of power required to power continuous pH meter.	9/10/24 (ongoing)

\*Start date of the violation or when the violation was first discovered

**Violation #8 is failure to comply with permit condition G13 for the payment of water permit fees as follows:**

Fee period	Fee invoice mail date	Date of violation*	Fee amount	Payment status
July 1, 2023 – June 30, 2024 (Fiscal Year 2024)	August 10, 2023	September 25, 2023	\$22,088.00	Unpaid as of the date of this NOP
July 1, 2023 – June 30, 2024 (Fiscal Year 2024)	February 23, 2024	April 9, 2024	\$22,088.00	Unpaid as of the date of this NOP
July 1, 2024 – June 30, 2025 (Fiscal Year 2025)	July 26, 2024	September 10, 2024	\$22,088.00	Unpaid as of the date of this NOP
July 1, 2024 – June 30, 2025 (Fiscal Year 2025)	February 20, 2025	April 7, 2025	\$22,088.00	Unpaid as of the date of this NOP

\*The date of violation is the day after the fee due date on the invoice.

**Additional Details**

**Violation #1**

Permit condition S2.C requires that Cosmo calibrate and maintain their flow measurement and continuous monitoring devices. Cosmo failed to calibrate and maintain their continuous flow measurement device to ensure the accuracy of the flow measurement weir at outfall 002.

Violation identified on: 7/8/22

Status: Ongoing

Description: Outfall 002 flow is measured by a weir. The weir was observed to be leaning, indicating that it was not properly aligned to ensure accurate flow measurements. This violation was first documented in the July 8, 2022 inspection report dated February 8, 2023. Ecology also observed this violation on September 15, 2023 and noted it in the associated February 29, 2024 inspection report. Ecology issued NOV #23222 to Cosmo on February 3, 2025, which included this violation. Ecology’s most recent site visit occurred on May 20, 2025 and we observed that facility staff continued to operate with insufficient support to address outstanding issues. Further, Cosmo has not reported to Ecology that this violation has been corrected.

## **Violation #2**

Permit conditions S8.A.2-3 require Cosmo to review their Spill Control Plan at least annually, update the plan as needed, and send any changes to Ecology.

Violation identified on: 2/29/24, 9/9/24

Status: Updated plan submitted on 3/20/24, ongoing since 9/9/24

Description: As described in the inspection report for the February 29, 2024 inspection (Cover Letter dated March 19, 2024), Cosmo submitted a spill control plan to Ecology in 2017. The spill control plan that was reviewed on-site was updated in 2021, but the updates had not been submitted to Ecology. Cosmo also failed to update the plan after the December 2022 curtailment. The inspection report required Cosmo to submit an updated plan, which they submitted on March 20, 2024.

Subsequently, most of the power and water was shut off to the site in September and October 2024 and staffing at the site continued to reduce. The loss of power would result in a change in how and where spills would flow at the mill and less personnel at the site also increases the potential for spills to remain undetected for longer periods of time. Ecology issued NOV #23222 to Cosmo on February 3, 2025, which included this violation. Ecology's most recent site visit occurred on May 20, 2025 and we observed that the facility still did not have power or water. Cosmo has not submitted an updated Spill Prevention Plan that addresses the drastically changed circumstances at the facility, i.e. the absence of power and water.

## **Violation #3**

Permit condition S8.A.4 requires Cosmo to follow their Spill Control Plan and Permit Condition S1.A. only allows the discharge of "treated process wastewater from Outfall 001." Cosmo did not prevent the unauthorized release of untreated red liquor to outfall 001 and is not preventing the on-going release of red liquor to the sewer system.

Violations observed on: 9/15/23, 2/29/24, and 4/10/25

Status: Ongoing

Description: Ecology observed red liquor leaking from a dump tank to a drip pan that discharges to the sour sewer, resulting in an on-going spill of red liquor. We formally documented this observation in the inspection reports for the inspections conducted on September 15, 2023, February 29, 2024 and April 10, 2025, respectively. During normal operations, the dump tanks are used to store pulp instead of red liquor, but they have stored red liquor since the curtailment in December 2022. The second observed spill is from a flange associated with the dump tanks, also resulting in a spill to the sour sewer system. Ecology observed this leak during the April 10, 2025 site visit.

Before the PUD stopped providing power to the mill in September 2024, the red liquor spilled to the sour sewer (designed for process wastewater when the mill is operating), mixed with stormwater, and was conveyed to outfall 001 without being treated in the secondary treatment system. While the spill did not cause a numeric effluent violation at outfall 001, it was not a treated process wastewater and therefore was not allowed to be discharged.

Without power and pumping capability, the red liquor leaking directly to the sour sewer is now accumulating in the collection system along with stormwater. After the April 10, 2025 site visit, Cosmo began capturing the spill from the flange but the collection vessel could overflow if not monitored and managed by on-site staff. Until the mill regains power, the sour sewer with the red liquor, has the potential to overflow off site.

It is also noted that testing of the red liquor in the drip pan during the April 10, 2025 site visit with a pH strip (expired) showed that the red liquor pH was 2.0. Ecology has additional documentation that the red liquor would designate as a dangerous waste.

Appendix B of the Spill Control Plan contains spill procedures for oil and other materials. It requires Cosmo to stop the source of spill as soon as possible and take all actions necessary to prevent the spill from spreading. Cosmo did not stop the spill of red liquor and is therefore not following their Spill Control Plan.

Ecology issued NOV #23222 to Cosmo on February 3, 2025, which included this violation. Cosmo never responded to NOV #23222. Ecology's most recent site visit occurred on May 20, 2025 and we observed that conditions at the site had not improved. Due to safety concerns, Ecology did not enter the area where the spills were occurring, but EPA personnel that were also on the site visit confirmed the same red liquor leak from the Dump Tank. Cosmo personnel also confirmed the red liquor leak from the Dump Tank was continuing. Cosmo personnel told Ecology that Cosmo has no plans to repair leaks at the facility until the mill restart process begins.

#### **Violation #4**

Permit condition S4 requires Cosmo to properly operate and maintain all facilities or systems of treatment and control (and related appurtenances) which are installed to achieve compliance with the terms and conditions of the permit. Cosmo has failed to properly operate and maintain the aerators at the Westport ponds.

Violation observed on: 9/15/23

Status: Ongoing

Description: Cosmo's Operations and Maintenance Manual identifies aeration at Westport Ponds A through D as part of operations of those ponds. The aerators are necessary to maintain an oxygenated water cap over the sludge in the ponds, keeping the water from going anaerobic

and creating odors. Ecology noted on the September 15, 2023 inspection that a number of the aerators were down or removed from the Westport ponds, resulting in a slight odor at Westport pond A. Cosmo confirmed by e-mail on June 6, 2024 that no repairs or replacements were done. Since the PUD stopped providing power to the site in September 2024, Cosmo is not able to operate any of the remaining aerators.

While maintaining adequate dissolved oxygen in the Westport ponds is important for ensuring compliance with permit limits when discharging, it is especially important during warmer weather conditions. If Cosmo does not provide proper aeration to the ponds during this more critical period, there will be a drop in oxygen levels in the Westport ponds, which has the potential to cause odor in the surrounding areas.

**Violation #5:**

Permit condition S9.A.4 requires Cosmo to update their Stormwater Pollution Prevention Plan (SWPPP) whenever there is a change in design, construction, operation, or maintenance which causes the SWPPP to be less effective in controlling pollutants. Operations at the site have changed multiple times since the submittal of the March 31, 2017 version of the SWPPP that could have an impact on the effectiveness of the SWPPP. Cosmo has not submitted an updated SWPPP to address the significantly changed conditions at the site.

Violation observed on: 7/8/22

Status: On-going

Description: The most recent SWPPP received by Ecology was submitted on March 31, 2017. Ecology has noted at least three significant events since that time that would have required an update to the SWPPP. First, Ecology conducted an inspection on July 8, 2022 and noted that the aerator associated with outfall 002 had failed and had been removed. The aerator was part of stormwater system, as indicated by the fact that it is included in Section 2.1 of the SWPPP and is on the monthly stormwater inspection checklist. Cosmo did not update the SWPPP to reflect and justify its removal. Ecology conducted a subsequent inspection on September 15, 2023 and again noted that the aerator was still missing in the inspection report (Cover Letter dated February 29, 2024).

Second, operations at the site were curtailed in December 2022. The SWPPP should have been updated to reflect any changes to best management practices (BMPs) and the change in the site conditions based on the curtailment.

Third, Ecology is aware that power was shut off at the site in September 2024. Lack of power significantly changes how stormwater is controlled and managed throughout the site. This change has the potential to increase contamination in the stormwater by affecting staff's abilities to respond and correct issues (e.g. loss of pumps needed to divert flow and contain

spills). This also increases the potential for flooding in areas not currently identified in Appendix D (Emergency Response to Flooding and Very Heavy Rainfall) of the SWPPP.

Ecology issued NOV #23222 to Cosmo on February 3, 2025, which included this violation.

### **Violation #6**

Permit condition S9.A.2 requires Cosmo to prepare a SWPPP that includes an implementation schedule. On-site observations indicate that the existing plan is not being followed.

Violation observed on: 7/8/22, 9/15/23, 2/29/24, and 4/10/25

Status: On-going

Description: In accordance with the SWPPP, Cosmo generally maintains a boom and an aerator at outfall 002. As mentioned in Violation #5 above, Ecology observed in July 2022 that the aerator at Outfall 002 failed and had been removed. While Ecology was on-site in September 2023, vegetation was observed to be growing on the boom and weighing it down and the aerator had not been replaced. Section 3.1 of the SWPPP describes good housekeeping practices and preventative maintenance BMPs, including cleaning the catch basins periodically (approximately every 2 months). During the February 29, 2024 inspection, Ecology noted that Cosmo had identified a number of plugging issues in the stormwater system and catch basins that required cleaning. Lastly, during the April 10, 2025 site visit, Ecology noted flooding in several areas of the mill due to plugged catch basins. Flooding was noted in the area next to the diesel storage tank, the secondary wastewater treatment plant, and the alley next to the recovery boiler stack. Staff said they do not have the means to clear the drain or prevent flooding. The flooding also spread to the material storage shed next to this alley. Flooding indicates that the stormwater is not being properly managed at the site and the facility is not minimizing the amount of pollution in the stormwater.

### **Violation #7**

Permit condition S2.A requires that Cosmo continuously monitor the pH of the discharge from outfall 002. Power was shut off at the site on September 9, 2024 and has not been turned back on. The continuous flow meters require power to operate.

Violation start date on: 9/10/24

Status: Ongoing

Description: Cosmo has two continuous pH meters at outfall 002, but both require power to function. Permit Condition S2.A does allow for brief periods of non-continuous measurement, but requires the facility to collect a grab sample every 6 hours. The facility has been reporting daily pH values on their monthly DMRs, but they have only provided one reading for each day and we know that the facility is not staffed 24 hours a day. Because the facility still stores

chemicals on site (including low pH red liquor) continuous pH monitoring is critical for timely detection and response to chemical spills to outfall 002.

### **Violation #8**

Permit condition G13 requires Cosmo to pay fees associated with their NPDES permit as assessed by Ecology. Per WAC 173-224-050(4) & (8), facilities are required to pay annual permit fees regardless of operational status until the permit has been terminated. Per WAC 173-224-050(12)(b), “[a]ccounts that remain delinquent after 45 days may receive a notice of penalty...” Cosmo has failed to pay their water permit fees since 2023. Ecology issued NOV #23222 to Cosmo on February 3, 2025, which included this violation.

Violation dates: See table above

Status: Ongoing

Description: The total amount of unpaid fees for Fiscal Years (FY) 24 through 25 is \$88,325. Please note, the penalty assessed for this violation is in addition to the NPDES permit fees that remain unpaid by Cosmo and does not relieve Cosmo from the underlying legal obligation to pay the fees.

## **2. Eligibility for Paperwork Violation Waiver and Opportunity to Correct**

Under RCW 34.05.110, small businesses are eligible for a waiver of a first-time paperwork violation and an opportunity to correct other violations. We have made no determination as to whether you meet the definition of a “small business” under this section. However, we have determined that the requirements of RCW 34.05.110 do not apply to the violation(s) in light of several applicable exceptions in RCW 34.05.110(4) and a conflict with federal law or program requirements, including federal requirements that are a prescribed condition to the allocation of federal funds to the State.

## **3. Failure to Comply**

Continued failure to correct the violations listed in this Notice of Penalty may result in additional escalated penalties.

## **4. Options for Responding to a Notice of Penalty**

### **Option 1: Pay the penalty within thirty (30) days after receiving the Notice of Penalty**

Make your payment payable to the **Department of Ecology**. Please include the penalty document number on your payment.

**Mail Payment to:**

Department of Ecology  
Cashiering Unit  
PO Box 47611  
Olympia, WA 98504-7611

Note: Ecology may take legal action to collect the penalty if you have not paid thirty (30) days after receiving the Notice of Penalty, and have not appealed.

**Option 2: Appeal to the Pollution Control Hearings Board (PCHB) and serve Ecology within thirty (30) days after the date of receipt of the Notice of Penalty.**

The appeal process is governed by Chapter 43.21B RCW and Chapter 371-08 WAC. "Date of receipt" is defined in RCW 43.21B0.001(2).

To appeal, you must do all of the following within thirty (30) days of receipt of this Penalty:

- File your appeal and a copy of this Order with the PCHB (see address below). Filing means actual receipt by the PCHB during regular business hours.
- Serve a copy of your appeal and this Order on Ecology by mail, in person or by email (see addresses below).

You must also comply with other applicable requirements in Chapter 43.21B RCW and Chapter 371-08 WAC.

**Filing with the PCHB**

For the most current information regarding filing with the PCHB, visit: <https://eluhho.wa.gov/> or call: 360-664-9160.

**Service on Ecology**

**Street Addresses:**

Department of Ecology  
Attn: Appeals Processing Desk  
300 Desmond Drive SE  
Lacey, WA 98503

**Mailing Addresses:**

Department of Ecology  
Attn: Appeals Processing Desk  
PO Box 47608  
Olympia, WA 98504-7608

**E-Mail Address:**

ecologyappeals@ecy.wa.gov

## 5. Contact Information

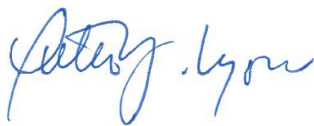
Please direct all questions about this Notice of Penalty to:

Ha Tran  
Industrial Section, Solid Waste Management Program  
Department of Ecology  
PO Box 47600, Olympia WA 98504-7600  
Phone: (360) 790-6276 Email: ha.tran@ecy.wa.gov

## 6. More Information

- **Pollution Control Hearings Board Website:**  
<https://www.eluho.wa.gov>
- **Chapter 43.21B RCW – Environmental and Land Use Hearings Office – Pollution Control Hearings Board:**  
<https://app.leg.wa.gov/RCW/default.aspx?cite=43.21B>
- **Chapter 371-08 WAC – Practice and Procedure**  
<https://app.leg.wa.gov/WAC/default.aspx?cite=371-08>
- **Chapter 34.05 RCW – Administrative Procedure Act**  
<https://app.leg.wa.gov/RCW/default.aspx?cite=34.05>
- **Ecology’s Laws, Rules, & Rulemaking Website**  
<https://ecology.wa.gov/Footer/rulemaking>

## 7. Signature



July 21, 2025

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Peter Lyon  
Program Manager  
Solid Waste Management Program  
Washington State Department of Ecology

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Date